

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MISSOURI  
KANSAS CITY DIVISION

IN RE: )  
 )  
LAKESHORE FARMS, INC., ) Case No 18-50077-btf11  
 ) Chapter 11  
Debtor. )  
\_\_\_\_\_ )

**MOTION TO ASSUME UNEXPIRED LEASES PURSUANT TO 11 U.S.C. §365**

Lakeshore Farms, Inc., Debtor and Debtor-in-Possession herein, by and through counsel, Joanne B. Stutz of Evans & Mullinix, P.A., moves this Court for an order authorizing Debtor to assume pursuant to 11 U.S.C. §365 the unexpired leases of various equipment and the unexpired leases of nonresidential real property. In support hereof the Debtor presents the following.

1. On the 28<sup>th</sup> day of February, 2018 (“**the Petition Date**”) Lakeshore Farms, Inc., a Missouri corporation, filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the Bankruptcy Code). Pursuant to §§ 1107 and 1108 of the Bankruptcy Code, the Debtor remains as Debtor-in-Possession.

1. The Debtor is a farming operation, owned by Jonathan Russell and formed on January 26, 2001, with its principal place of business located at 24806 Highway 69, Forest City, Missouri 64551

2. Prior to the filing date, Debtor entered into the following leases of nonresidential real property, which Debtor will use for farming:

<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Description</u></b>	<b><u>Term</u></b>
Billy and Sue Neff Family Farm, Inc. and TNeft Family Farms LLC	Highway A Graham, MO 64455-	Lease dated 1/24/2018 for 1206.90 acres, Annual payments of \$143,775 due January 15, and \$157,950 due March 1. January was not paid so full amount is due on March 1, 2018.	1/15/ 2018 - 12/31/18

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<u>Name</u>	<u>Address</u>	<u>Description</u>	<u>Term</u>
Cliff Herndon	22257 State Highway EE Maryville, MO 64468-	Lease dated as of 3/1/18 for 61 acres, annual payment of \$12,200.00 due 3/5/2018.	expires 2/1/19
Gerald Newberry, Trustee of the Gerald W. Newberry Trust, and Kathryn R. Newberry, Trustee of the Kathryn R. Newberry Trust	34426 190 <sup>th</sup> St Parnell, MO 64475-	Lease dated 11/7/2017, for 858.21 acres, annual payment of \$200,000.00 due on March 1. Lessee is Jon Russell, d/b/a/ Lakeshore Farms, Inc.	1/1/2018 - 12/31/20
Harold Lewis, Lewis Farms	37693 State Highway H Graham, MO 64455-	283.3 acres, annual payment of \$63,742.50 due on March 1.	2018 - 2020
Hugh King	1909 Ivanhoe St Denver, CO 80220-	Lease dated 11/14/2017 for 74.34 acres, 2018 rent of \$11,151.00, 2019 and 2010 rent to be determined by 11/20 each year. Lessee is Jon Russell, d/b/a/ Lakeshore Farms, Inc.	2018 - 2020
Jacqueline Wardrobe	19180 State Highway E Parnell, MO 64475-	Lease dated 11/7/2017 for 70 acres, annual payment of \$10,500.00.	1/1/2018 - 12/31/20
Jerry and Dwight TeKolste	7407 Pella Road Firth, NE 68358-	Lease dated 1/6/2017 for 740 acres, annual payment of \$240,500.00. Lessee is Jonathan Russell	3/1/2017 -1/1/2019
K and K Farming, Inc.  This is connected to the Kirwan and K+Angus Leases.	19540 Kings View Drive Mound City, MO 64470-	Lease dated 1/9/2018 for 244 acres, annual payment of \$71,920.00 due on 3/1/2018. Lease includes irrigation equipment and grain bins.	3/1/2018 - 12/31/18 (9/1/2018 - 91/1/2019 for the grain bins)

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K+ Angus Ranch, Inc.  This is connected to the Kirwan and K& K Farming Leases	19540 Kingsview Drive Mound City, MO 64470-	Lease dated 1/9/2018 for 1270 acres, annual payment of \$424,680.00, of which \$50,000 is for rental of grain bins, due on 3/1/2018.	expires 9/1/19
Kirby & Mary Hanson	20742 Falcon Trail Graham, MO 64455-	Lease dated as of 3/1/2018 for 138 acres, annual payment of \$34,500.00.	One year then year to year until terminated.
Kirwan Family  This is connected to the K & K Farming and K+Angus Leases	19540 Kings View Drive Mound City, MO 64470-	Lease dated 1/9/2018 for 470.6 acres, annual payment totaling \$133,400.00 payable: \$66,700 to Leona Kirwan, \$33,350.00 to Ryan Kirwan, and \$33,350.00 to Patrick Kirwan. Lease includes irrigation equipment and grain bins.	3/1/2018 - 12/31/18 (9/1/2018 – 9/1/2019 for the grain bins)
Mark Lytle	26542 Outer Road Rock Port, MO 64482-	Lease dated 3/1/2018 189 acres, annual payment of \$25,900.00 due on 3/1/2018.	One year from 3/1/2018.
Nancy Jorgensen	5808 S Tulip Lane Brookline, MO 65619-	Lease dated 1/15/2018 for 1/3 interest in 83.3 acres owned with Pauline Hanson, annual payment of \$5,552.00 due 3/1/2016.	3/1/2018 – 2/1/2019
Nancy Jorgensen	5808 S Tulip Lane Brookline, MO 65619-	Lease dated 1/15/2018 for 157.8 acres, annual payment of \$31,026.00 due 3/1/2016	3/1/2018 – 2/1/2019
Pauline Hanson	64184 712 Road Dawson, NE 68337-	Leases date for 2/3 interest in 83 acres owned with Nancy Jorgensen, annual payment of \$12,217.34,	3/1/2018 – 2/1/2019
Pauline Hanson	64184 712 Road Dawson, NE 68337-	Lease dated 3/1/2018 for 268 acres, annual payment of \$58,960.00.	3/1/2018 – 2/1/2019

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<u>Name</u>	<u>Address</u>	<u>Description</u>	<u>Term</u>
Robert Hall Trust	Highway E Mound City, MO 64470-	Lease dated 2/7/2018 for 440 acres, annual payment of \$115,000.00 due 11/1/2018	expires 12/3/18
Steve Gauge and Greg McQuinn	117 North Alanthus Ave Stanberry, MO 64489-	Lease dated 12/7/2017 for 532 acres, annual payment of \$133,000.00 due 3/1/2018	expires 12/31/18

3. Debtor desires to assume the leases of nonresidential real property and pay the rent payments which are due on March 1, 2018. These leases are essential to Debtor's farming operation and therefore, to Debtor's ability to reorganize under Chapter 11.

4. Prior to the Petition Date Steve Gauge and Greg McQuinn delivered a notice of termination to the Debtor. By this Motion, the Debtor hopes to reinstate that Lease but understands that Mr Gauge and Mr. McQuinn may not be willing to do so.

5. Debtor is also a party to the following leases for equipment essential to Debtor's farming operation.

<u>Name</u>	<u>Address</u>	<u>Description</u>
Trans Lease, Inc.	PO Box 172686 Denver, CO 80217	2014 Timppte Hopper - Contract #12,384.74 2013 Tanker - Contract #11105120009 These will be paid from the net proceeds from the sale of the 2013 Timppte Trailer.
Northland Capital	PO Box 7278 Saint Cloud, MN 56302-	2014 John Deere 4940 Sprayer - Contract #3942-020 - expires 1/1/21 2017 Timppte Grain Trailer - Contract #3942-021 - expires 1/28/22 2017 Timppte Grain Hopper - Contract #3942-24 - expires 1/2021

6. Debtor desires to assume the equipment leases and pay the rent payments as they come due. These leases are essential to Debtor's farming operation and therefore, to Debtor's

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ability to reorganize under Chapter 11. Debtor will fund the lease payments from the Debtor in Possession funding, which has been requested by separate motion.

7. 11 U.S.C. § 365(b) and (c) expressly authorizes the Court to approve the assumption of the leases upon curing any defaults and providing “adequate assurance” with respect to the proposed assignee.

8. To the extent the Court enters an Order approving this Motion, Debtor requests that the Court waive any stay of the effectiveness of such assumption under Federal Rule of Bankruptcy Procedure 6006(d).

WHEREFORE, Debtor respectfully requests that the Court enter an Order authorizing Debtor to assume the leases described above pursuant to Code § 365; waiving any stay of the effectiveness of such assumption of the assumed contracts pursuant to Federal Rule of Bankruptcy Procedure 6006(d); and granting such other and further relief as is just and proper.

Respectfully Submitted:

EVANS & MULLINIX, P.A.

/s/ Joanne B. Stutz

Joanne B. Stutz, KS#12365, MO#30820

7225 Renner Road, Suite 200

Shawnee, KS 66217

(913) 962-8700; (913) 962-8701 (Fax)

[jstutz@emlawkc.com](mailto:jstutz@emlawkc.com)

*Attorneys for Lakeshore Farms, Inc.*